Service Acquisition Workshop & Automated Roadmap Requirements Tool Overview

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Basic Assumptions

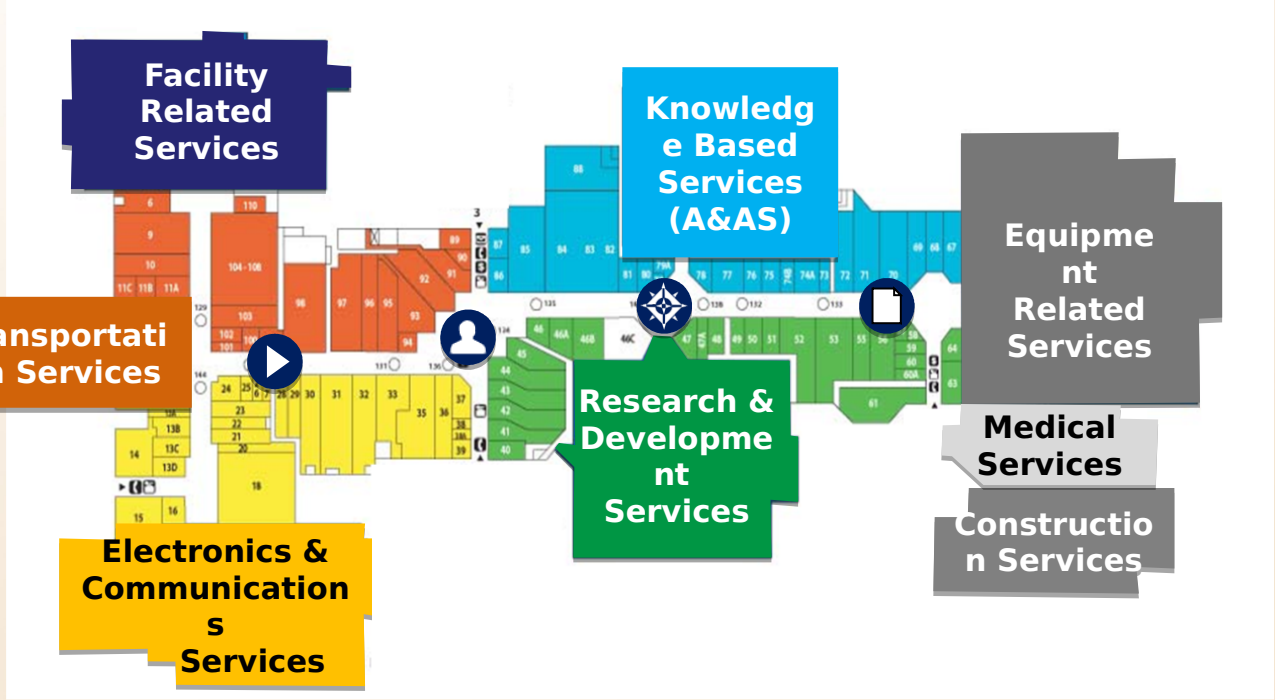
- Government Performance Objectives
- Contractor vs. Government Solutions
- Contractor Quality System with Government Insight (QASP)
- Doing it right to start - saves time, effort and pain – later.

Performance-Based Acquisition

...means structuring all aspects of an *acquisition* around the purpose of the work to be performed with the contract requirements set forth in clear, specific, and objective terms with measurable outcomes as opposed to either the manner by which the work is to be performed or broad and imprecise statements of work.

FAR 2.101

Service Acquisition Mall - SAM



- Integrates Sourcing Process and Learning assets with Product Service Code Knowledge
  - Utilizes same sourcing process contained in SAW and ACQ 265
- Aligns with DPAP Service Taxonomy
- http://sam.dau.mil

Services Taxonomy breakdown

Knowledge Based Services

- Engineering Management Services
- Program Management Services
- Logistics Management Services
- Management Support Services
- Administrative & Other

Equipment Related Services

- Maintenance, Repair and Overhaul
- Equipment Modification
- Installation of Equipment
- Quality Control
- Technical Representative Services
- Purchases & Leases
- Salvage Services

Facility Related Services

- Architect/Engineering Services
- Operation of Government Owned Facilities
- Machinery & Equipment Maintenance
- Building & Plant Maintenance
- Natural Resource Management
- Utilities
- Housekeeping & Social Services
- Purchases & Leases

Medical Services

- General Medical Services
- Dentistry Services
- Specialty Medical Services

Transportation Services

- Transportation of Things
- Transportation of People
- Other Travel & Relocation Services

Electronics and Communications Services

- ADP Services
- Telecom Services
- Equipment Maintenance
- Equipment Leases

Research and Development

- Systems Development
- Operational Systems Development
- Technology Base
- Commercialization
- Advisory & Assistance

Construction Services

- Structures & Facilities
- Conservation & Development Facilities
- Restoration Activities

Reserved Portfolios

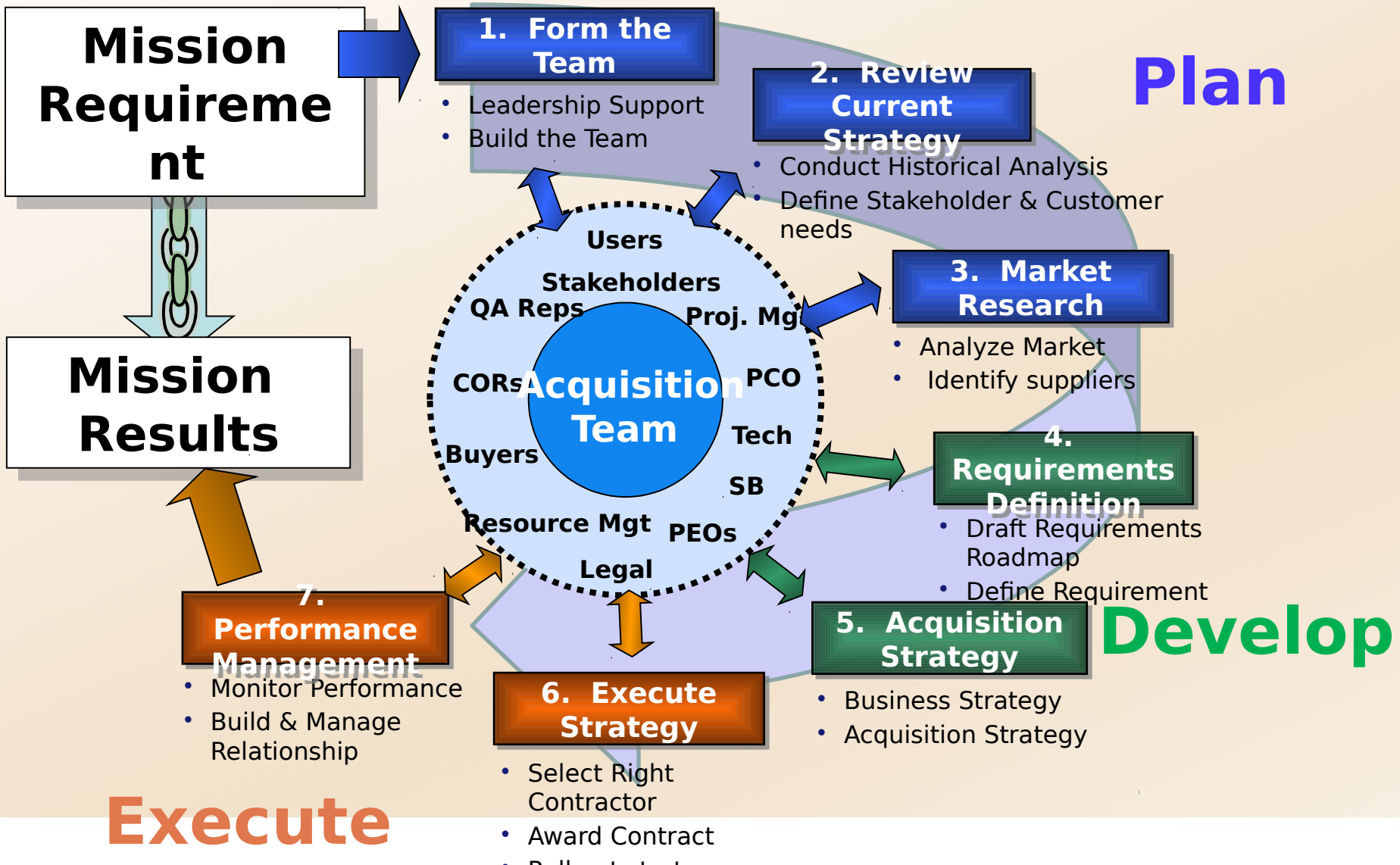
8 Services Portfolio Groups

6 Mandated for Services Initiative

Notional Workshop Schedule

Day One	Day Two	Day Three	Day Four
0800 Introductions 0900 Step One Develop Vision and Team Charter Stakeholder Analysis Communication Plan	0800 Recap 0815 Step Four continued 1000 Requirements Roadmap Development	0800 Recap 0815 Roadmap continued	0800 Recap 0815 Step 6 0930 Step 7
1100Step Two Current Measures		1[illegible]0 PWS Development	
1200 Lunch	Lu[illegible]ch	Lunch	L[illegible]nch
1300 Step Three Market Research Sources		1300 Step Five 1330 Acquisition Strategy discussion and development	1[illegible]0Finalize Project Plan 1400 Wrap Up
1430Step Four Risk Analysis Wrap Up	W[illegible] Up	W[illegible]p Up	

Framework for the Service Acquisition Process



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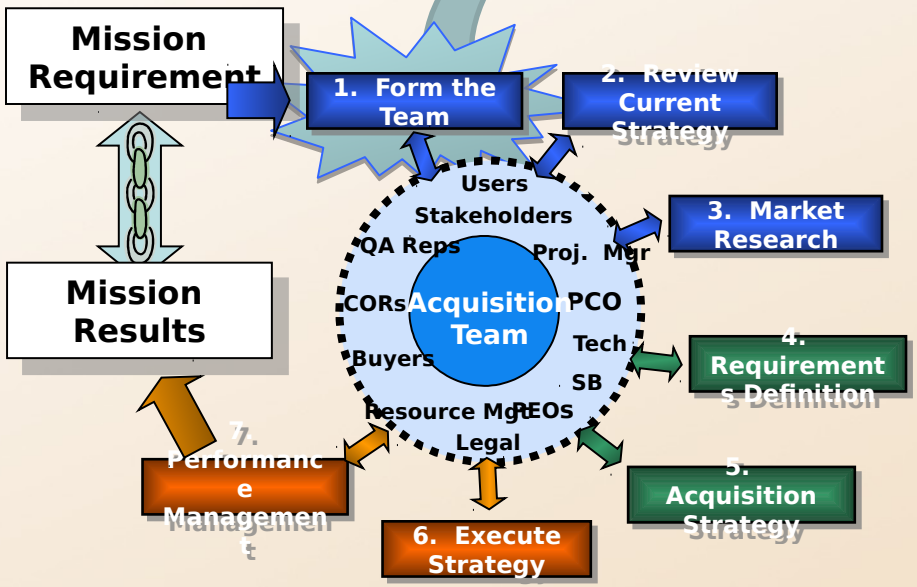
Service Acquisition Workshop

Step 1: Form the Team

Step One – Form the Team

Service Acquisition Process



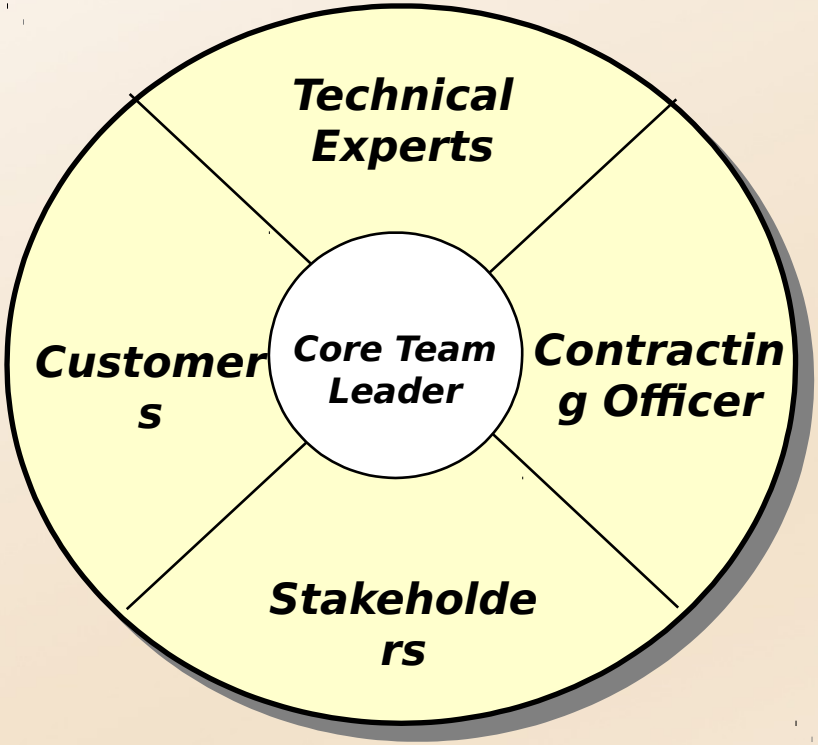
Form the Team Sub-elements

- 1.1 Ensure senior management involvement and support
- 1.2 Form the Team and Team Charter
- 1.3 Identify & analyze stakeholders, nurture consensus
- 1.4 Develop communication plan
- 1.5 Develop & maintain knowledge base over project life
- 1.6 Plan and Schedule topical team training (Risk, COR, etc)

Form the Team

Core Team Member Roles & Responsibilities

- Plan and lead project
- Have ownership and accountability
- Execute project activities rapidly
- Communicate and resolve issues when they arise



Typical Core Team Performance Metrics

- *Acquisition Cycle Time (overall, by phase, by step, etc.)*
- *Project Budget Compliance*
- *Service Performance Attainment*
- *Customer Satisfaction (at 3 months, 6 months, etc. after launch)*

Key Contacts That Must be Identified

Finance
Civilian Personnel Legal

∗ *Leader May Also Direct a Specific Functional Area Depending on the Size and Scope of the Project*

Senior Leadership Support

- Senior Leadership involvement and support is a predictor of success
  - "Strong leadership at the top" as a "success factor" in the selection, evaluation and control processes associated with acquisition investment review *(CIO Council document, "Implementing Best Practices: Strategies at Work")*
- Senior Leadership provides a shared vision
  - Coordinates integrated solution teams that cut across "organizational boundaries"
  - Overcomes "turf battles"
- Creating "buy in" from leadership and establishing the realms of authority are ***essential to performance-based project success***

Develop Your Communication Strategy

- What's your team's elevator message – Why should leadership pay attention to your project?
- Effective communication is fundamental to success
- Left in the dark, your stakeholders and customers concerns may grow
- A communication plan should consider the following:
  - Who should be kept informed of status and ongoing actions?
  - How often should they be engaged?
  - What media and methods are best?

Team Communication Plan Example

	Project Name					
	Project Team Communication Plan					
Types of Communication	**Deliverable**	**Description**	**Delivery Method**	**Frequency**	**Owner**	**Audience**
Reports	Project status report	Regular update on critical project issues	E-mail	Weekly	Project Manager	Project Manager Project Stakeholders Project Team
	Quality audit report	Regular update on project quality performance	E-mail	Weekly	Quality Manager	Project Manager Project Stakeholders Project Team Quality Manager
Presentations	Project review	Project status update	Meeting	Monthly	Project Manager	Project Manager Project Stakeholders Project Team
Project Announcements	Task reminders	Task owner schedule reminders	E-mail	Daily	Project Coordinator	Project Manager Project Team
	Team meeting	Meeting to review project status	Meeting	Weekly	Project Coordinator	Project Manager Project Team Quality Manager
Team Morale	Team event	Regularly schedule team morale events	Event	Quarterly	Project Sponsor	Project Manager Project Stakeholders Project Team

Step One Conclusion

- At the completion of step one you should have:
  - Built a team with the right skills, knowledge and motivation to complete the effort
  - Developed initial team charter
  - Identified stakeholders and understand their role in your effort
  - Developed initial communication plan

Complete your Step 1 assignments

		Responsible Person	Duration	Target Date
1.1	Ensure senior management involvement and support			
1.2	Form the Team and Charter			
1.3	Identify and analyze stakeholders, nurture consensus			
1.4	Develop communication plan			
1.5	Develop and maintain the knowledge base over the project life			
1.6	Plan and Schedule topical team training (Risk, COR, etc)			

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Step 2: Review Current Strategy

Step 2 Review Current Strategy

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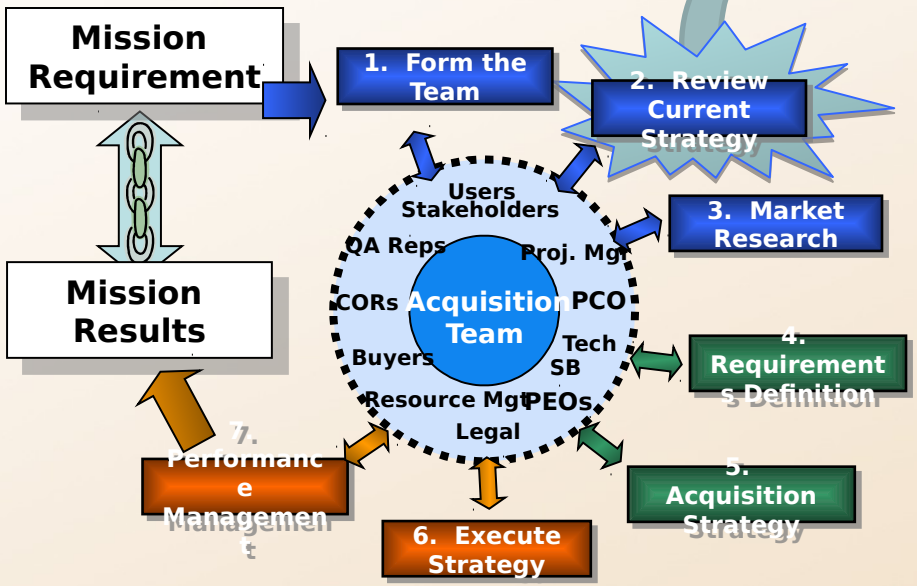


Review Current Strategy Sub-elements

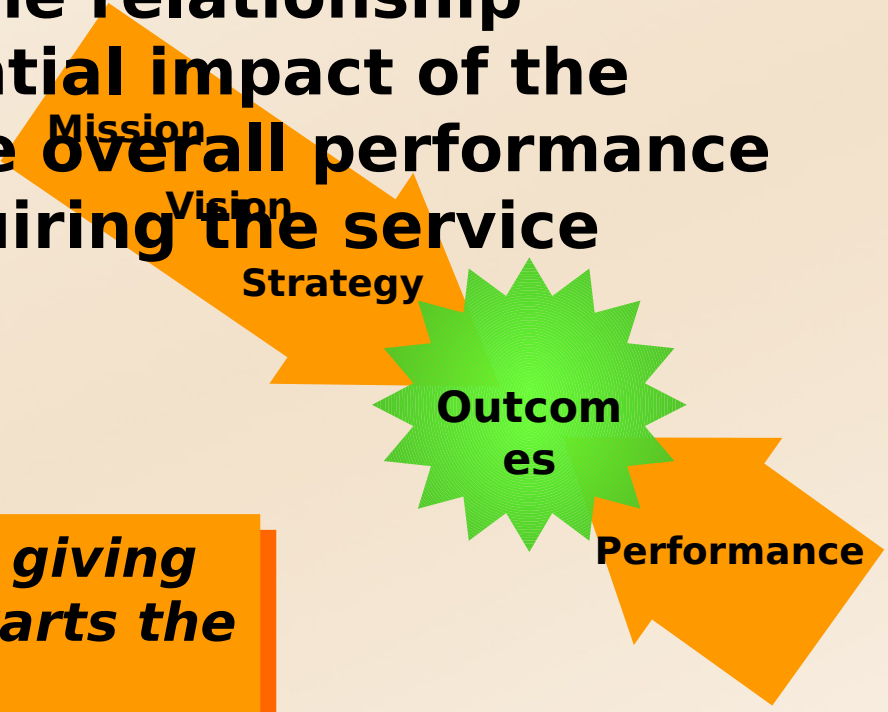
- 2.1 Identify current initiatives/contracts
- 2.2 Review and document current performance (cost, quality, schedule)
- 2.3 Begin program risk identification
- 2.4 Document current processes
- 2.5 Determine Status of GFP/GFM/ Facilities
- 2.6 Stakeholder submits current and projected requirements forecast
- 2.7 Review current /statutory requirements
- 2.8 Define (at a high level) desired results
- 2.9 Review current performance & desired results with stakeholders and users
- 2.10 Refine desired results and validate with stakeholders

Understand Current Stakeholder Issues

- Determine how your Stakeholder(s) defines success
  - Does the current product/service satisfy stakeholder and customer needs?
  - If not, why not? Define this as specifically as possible
- Determine the current level of performance
  - Are the customers currently satisfied?
    - Does this effort require a service level improvement?
  - Could we gain price/cost advantage by realigning expectations in specific areas?
    - Less in some areas, but perhaps a higher level in others?
    - How do your stakeholders and customers

Align Mission And Performance Objectives

- **What is the intended effect of this acquisition toward supporting the agency's mission and performance goals and objectives?**
  - **Clearly establish the relationship between the potential impact of the acquisition and the overall performance of the agency acquiring the service**
    - Focus on what outcome is required, not on what resources are needed



Signing a contract is like giving birth to a baby… it just starts the process!

Misaligned Objectives will NOT lead to success

The mission, vision, and strategy have to be aligned in order to deliver successful outcomes

Requirements Roadmap

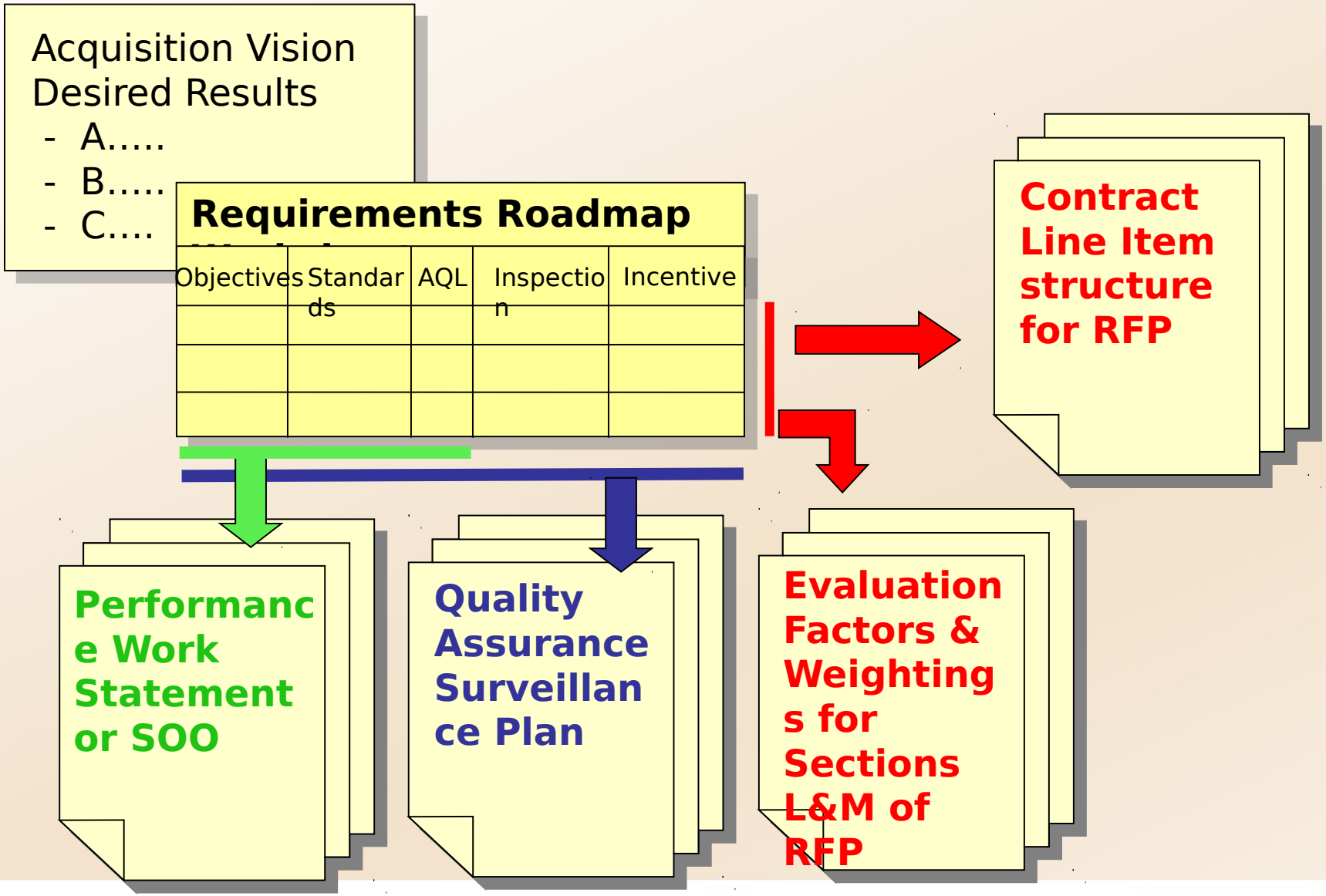
Acquisition Vision
- **A…**
- **B…**
- **C…**

Requirements Roadmap Worksheet

High Level Objective	Performance			Inspection				Incentive
	Task	Standard	AQL	Who	Data Source	Calculation	How Often Collected	Type
A….	A -1							
	A -2							
	A -3	A -3 a						
		A -3 b						
B….	B -1							
	B -2							

Alignment

Requirements Roadmap provides Linkage between Mission and Objectives



Step Two Conclusion

- At the completion of step two you should have:
  - Interviewed Stakeholders
  - Completed your baseline assessment
  - Completed your Team Charter
  - Received stakeholder approval of team charter and team’s direction

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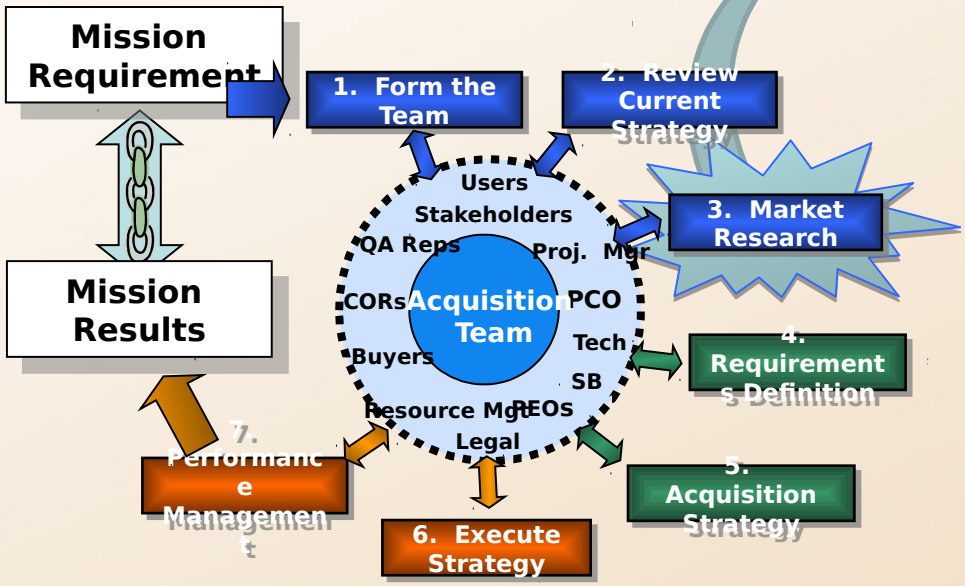
Step 3: Market Research

Step Three – Market Research

Service Acquisition Process



Market Research Sub-elements

3.1 Take a team approach to market research

3.2 Determine data sources

3.3 Develop a standardized interview guide

3.4 Conduct market research (include both providers and consumers)

3.5 Request information from service providers

3.6 Analyze market research

3.7 Document market research and trends

Conducting Market Research

- Decide who will do what and by when
  - Research methods
    - Interviews, questionnaires, literature search
  - Sources of information – buyers and sellers
  - Timeline – don’t skimp on market research time!
- Develop standard interview guide
  - Match to priorities and lessons learned
  - Form leading questions, not “yes or no” questions
  - Decide what the team will do with the answer before you ask the question
- Use a structured method for collecting information

Consider One-on-One Meetings With Industry

- One-on-one meetings are more effective than pre-solicitation or pre-proposal conferences

- One-on-ones can:
  - Expand the range of potential solutions
  - Change the very nature of the acquisition
  - Enhance the performance-based approach
  - Be your first step to an “incentivized” partnership

What benefit can you get from in-depth one-on-ones?

Step Three Conclusion

- At the completion of step three you should have:
  - Determined if your requirement is commercial or non commercial
  - Developed an interview guide to collect market research information
  - Conducted market research with commercial companies and government agencies (one on one sessions)
  - Identified leading service providers

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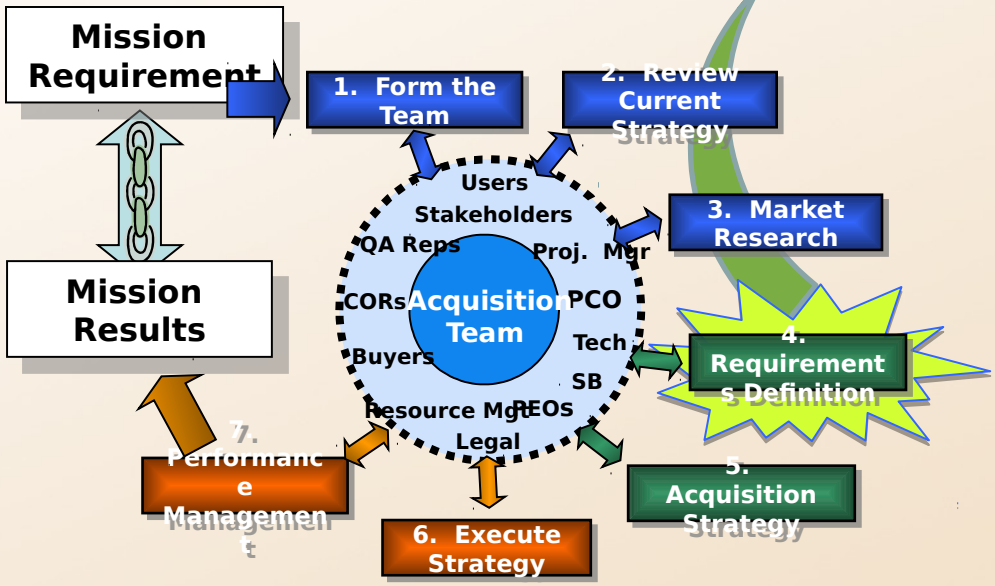
Step 4: Requirements Definition

Step Four – Requirement Definition

Service Acquisition Process



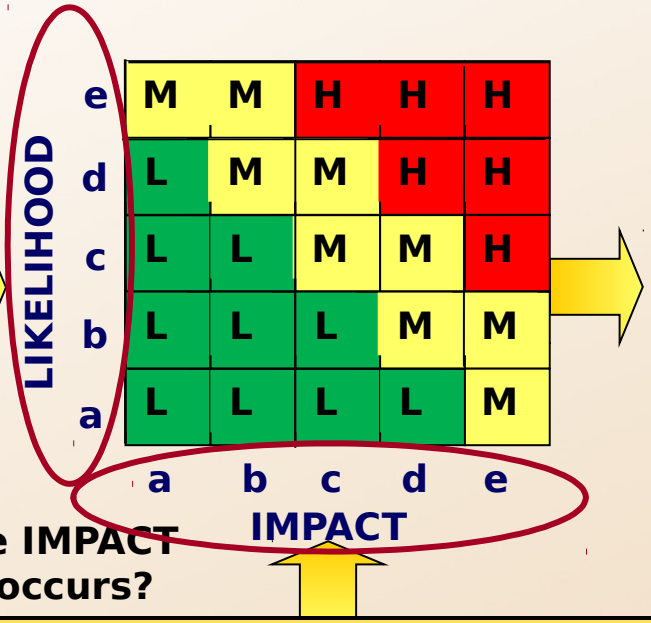
Requirement Definition Sub-elements

- 4.1 Conduct performance Risk Analysis
- 4.2 Conduct a Requirements Analysis
- 4.3 Build Requirements Roadmap
- 4.4 Standardize requirements where possible to leverage market influence
- 4.5 Develop a PWS or SOO
- 4.6 Develop the QASP
- 4.7 Develop Independent Government Estimate (IGE) based on projected demand forecast
- 4.8 Establish stakeholder consensus

Risk Analysis Model

1. What is the LIKELIHOOD an event will occur?

Level	What is the Likelihood the Risk Event will occur?
a	Remote
b	Unlikely
c	Likely
d	Highly Likely
e	Near Certainty



R **HIGH** – Unacceptable. Major disruption likely; different approach required; priority management attention required.

Y **MODERATE** – Some disruption; different approach may be required; additional management attention may be needed.

G **LOW** – Minimum impact; minimum oversight needed to ensure risk remains low.

2. What is the IMPACT if the event occurs?

	Technical Performance	And/or Schedule	And/or Cost	And/or Impact on Other teams
a	Minimal or no impact	Minimal or no impact	Minimal or no impact	None
b	Acceptable with some reduction in margin	Additional resources required; able to meet need dates	<5%	Some impact
c	Acceptable with significant reduction in margin	Minor slip in key milestones; not able to meet all need dates	5-7%	Moderate impact
d	Acceptable; no remaining margin	Major slip in key milestone or critical path impacted	7-10%	Major impact
e	Unacceptable	Can't achieve key team or major milestone	>10%	Unacceptable

Requirements Roadmap Worksheet

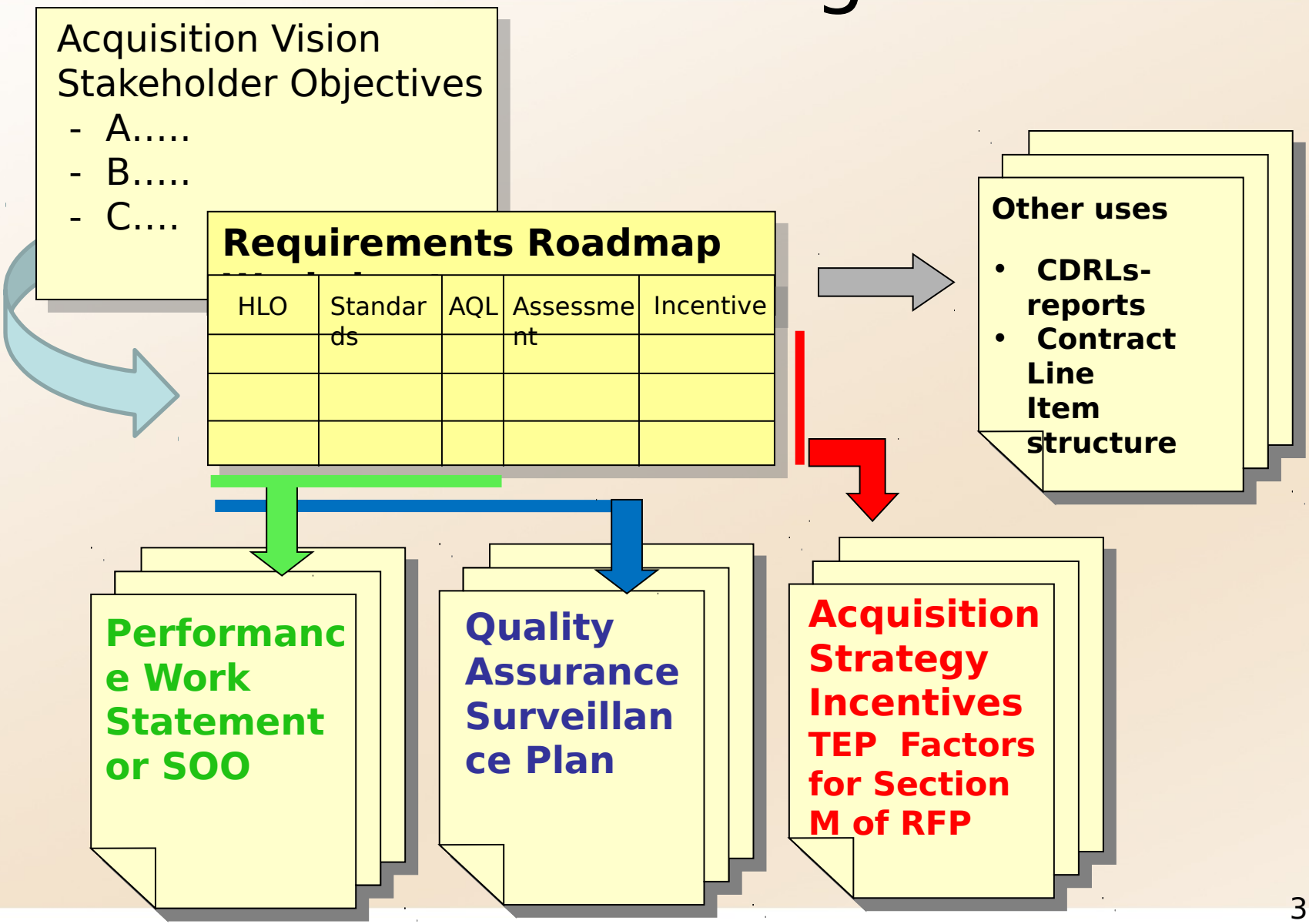
In Step 4 Our Focus is on developing the Performance and Assessment Elements

Vision:

High Level Objective	***Performance***			***Inspection***				***Incentive***
	Task	*Standard*	*AQL*	*What*	*How*	*Who*	*Metric*	*Type*
1….	*1 -1*							
	1 -2							
	1-3	*1 -3 a*						
		1 -3 b						
2….	*2 -1*							
	2 -2							

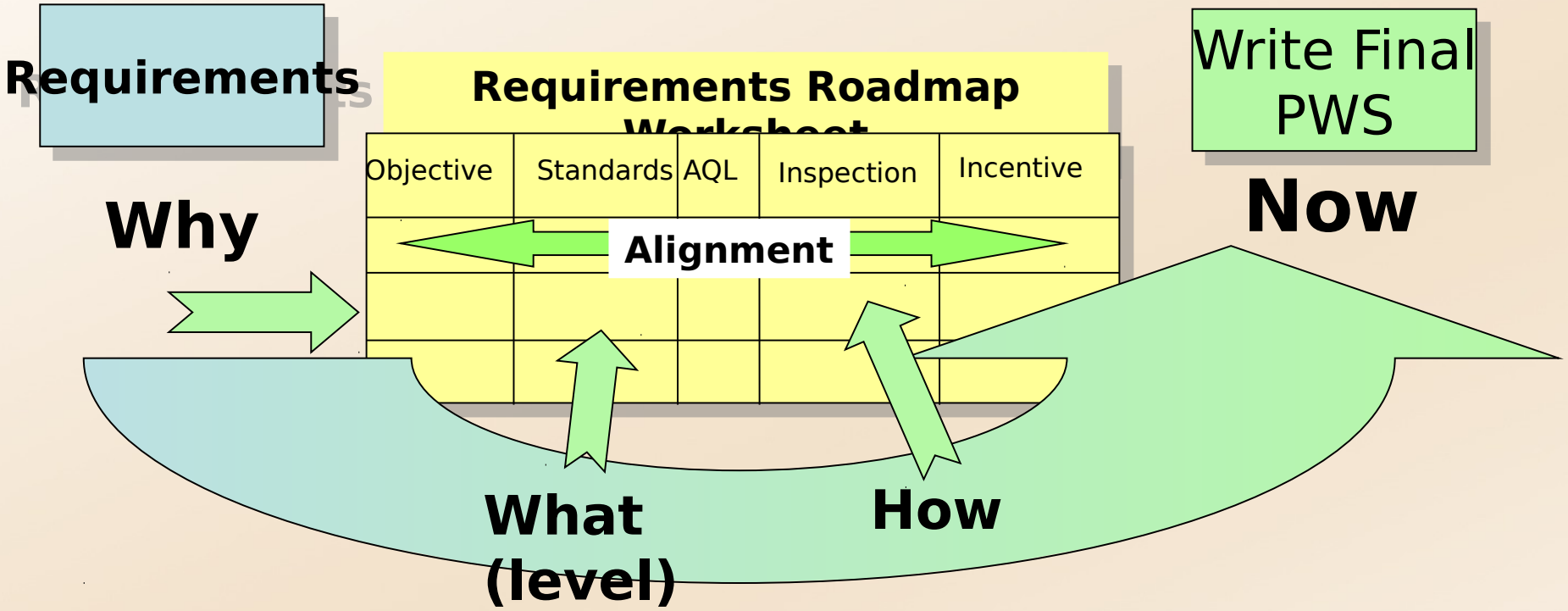
Alignment

Roadmap Provides the Linkage



Requirements Roadmap Process

- Work the Why, What, and How in the Performance Roadmap to get to the Now of writing the PWS



Developing Performance Standards

- An effective Performance Objective has a Performance Standard that lets you 'Know' what level of performance is required to meet the Performance Objective

After identifying the main

Define Performance Standards for

Pe ance

Obj

What Level?

An effective performance standard must answer the Question… What Level?

"When will I know the performance objective has been met?"

The answer describes your standard

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Developing Performance Standards

“Performance Objectives……..Performance Standard”

- How do you define success for your Performance Objective?
  - Reliability (System Is Running)
  - Responsiveness (Services Provided On-time)
  - Appearance (Contractor Uniforms)
  - Cleanliness (No Visible Dirt/dust)
  - Customer Satisfaction (You’ll Know)

Critical Few Metrics

- How many metrics are enough?
- Too few
  - Not capturing detail required to manage business
- Too many
  - Choked with data
- Rule of 5
  - No more than 3 - 5 **key performance metrics** (KPM)

Define your Tolerance for Variation

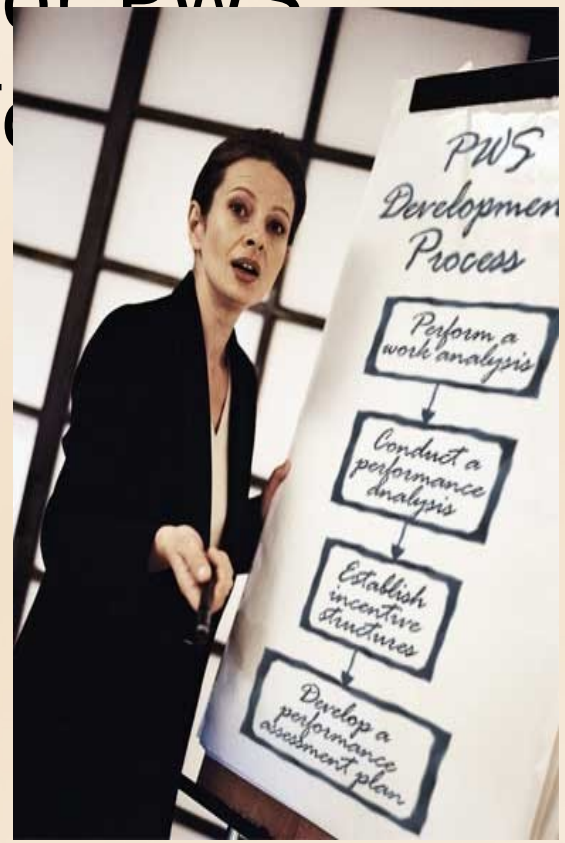
Requirements Roadmap

Objective	Standards	AQL	Inspection	Incentive

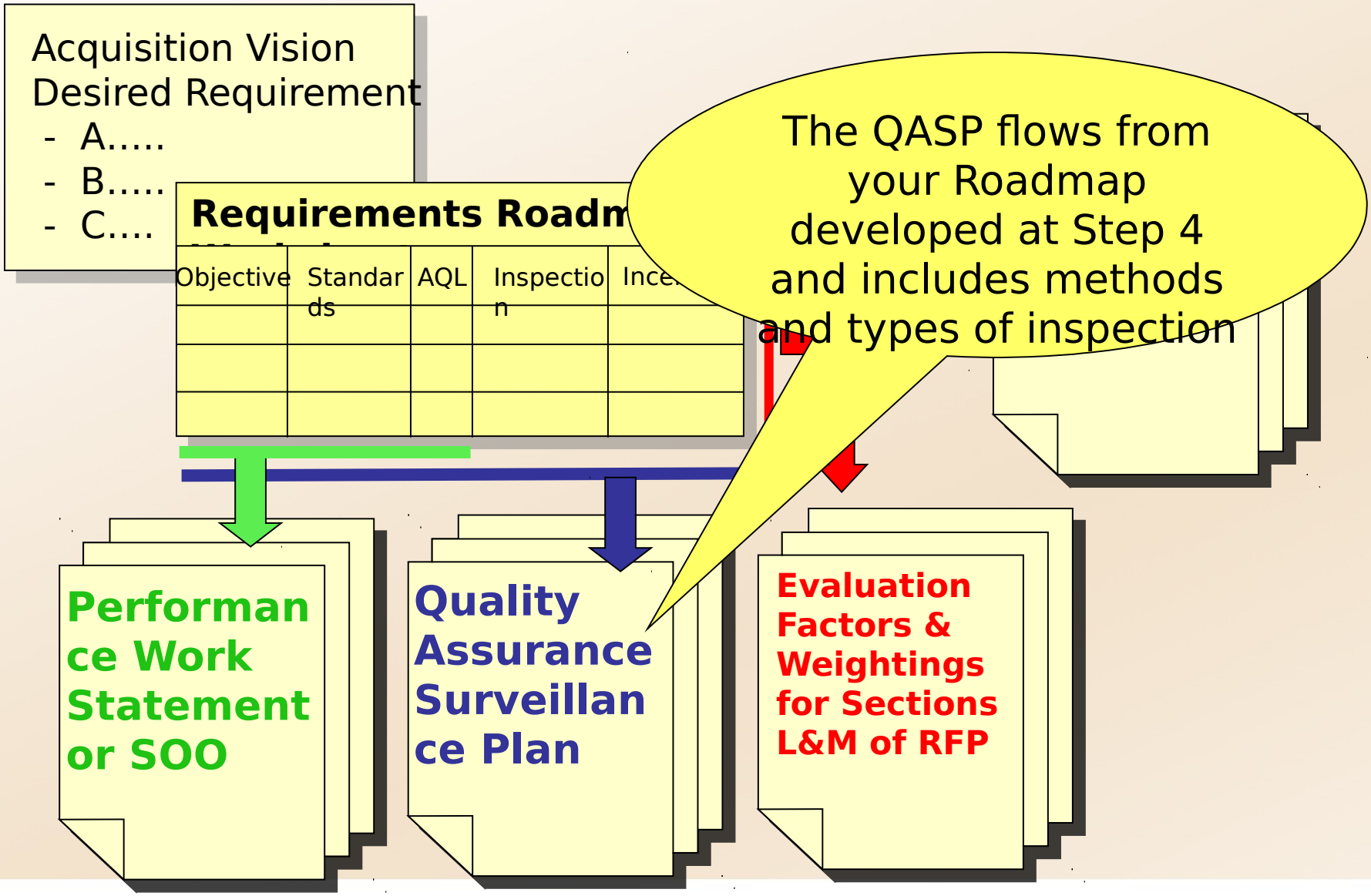
- An AQL is an acceptable deviation from the standard
- However, the contractor is still expected to meet the performance standard
- Is there an allowable range of performance associated with each performance standard ?
  - Perfection comes at a price
- What should you address to determine if an AQL is appropriate ?
  - Will it still achieve my performance objective?
  - Easily understood?
  - Clearly delineated?

Now Write the PWS (ARRT)

- Requirements Roadmap provides fully developed outline for PWS
- PWS has No mandated fo
- Possible sections:
  - Introduction
  - Background information
  - Scope
  - Applicable documents
  - Performance Requirements
  - Special Requirements
  - Deliverables



Roadmap is the Foundation for Action

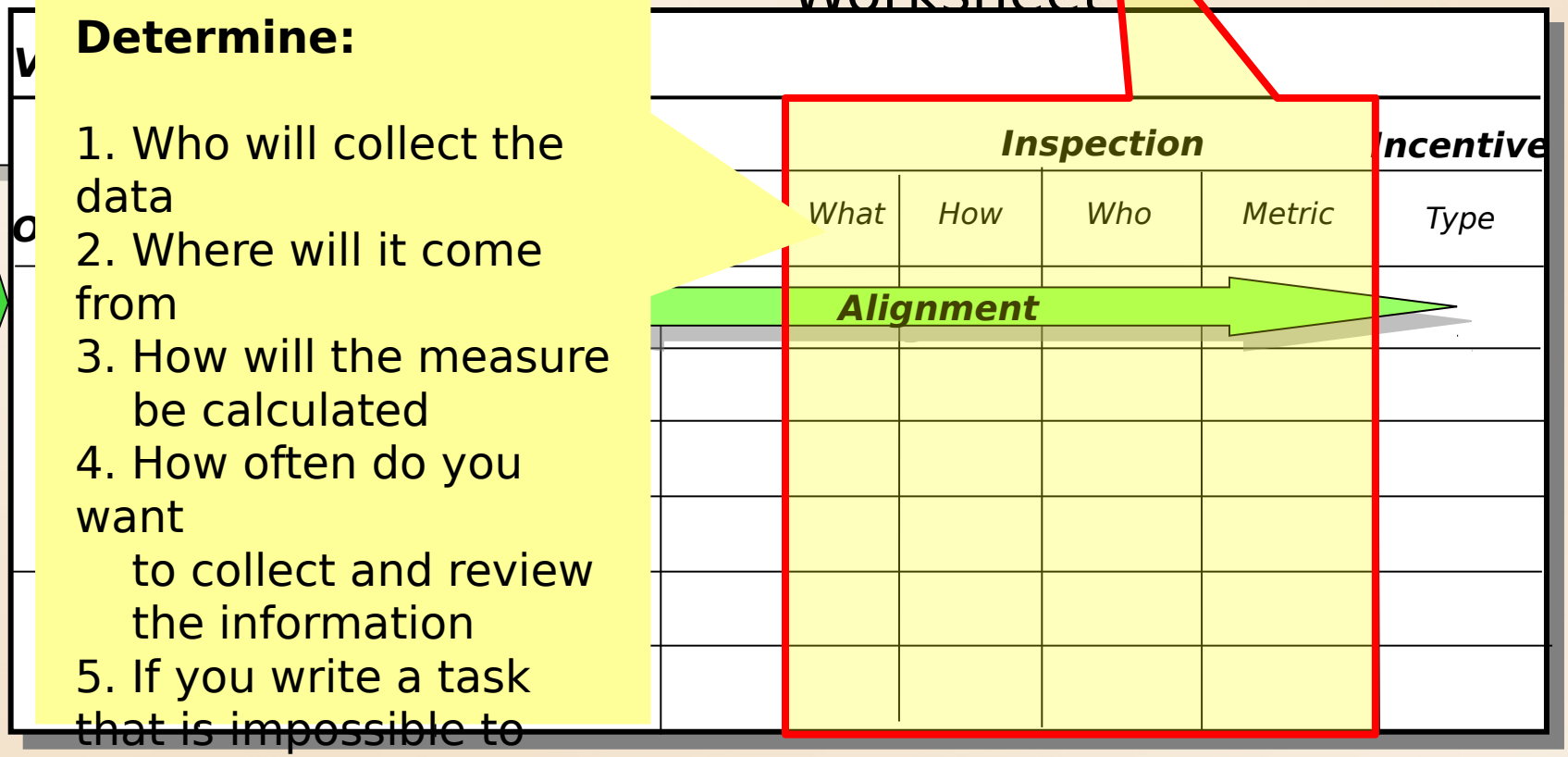


How will you Know: Determine Assessment Approach

This is our focus… How will you know?

Acquisition Vision
- **A…**
- **B…**
- **C…**

Requirements Roadmap Worksheet



Determine:

1. Who will collect the data
2. Where will it come from
3. How will the measure be calculated
4. How often do you want to collect and review the information
5. If you write a task that is impossible to measure you must

Step 4 Conclusion

- At the conclusion of step 4 you should have:
  - Identified performance objectives & standards/AQLs
  - Identified methods and types of assessment
  - Used the Requirements Roadmap Process (ARRT) to develop you initial PWS
  - Used the Requirements Roadmap Process (ARRT) to develop you initial QASP

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Step 5: Acquisition Strategy

Step Five – Acquisition Strategy

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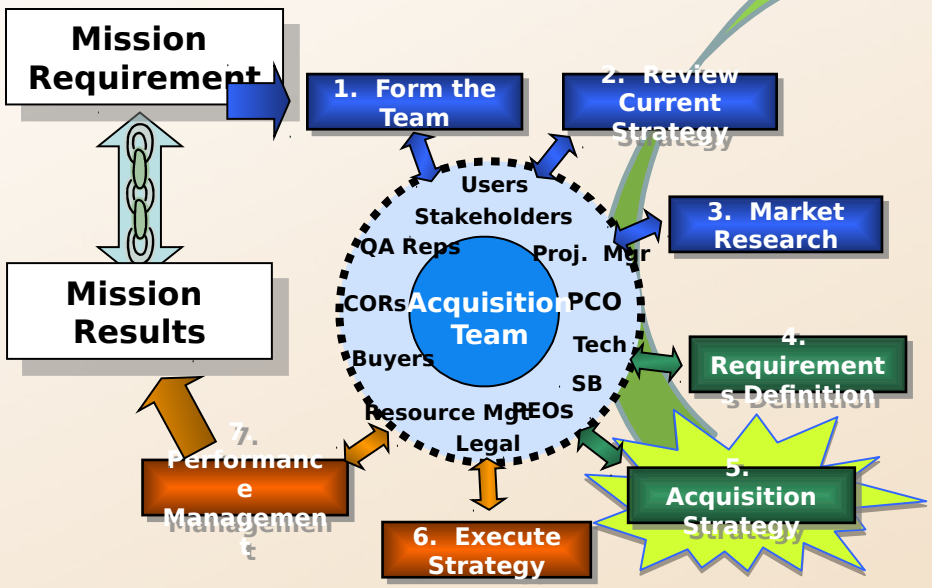


Acquisition Strategy Sub-elements

5.1 Develop Preliminary Business Case & Acquisition Strategy

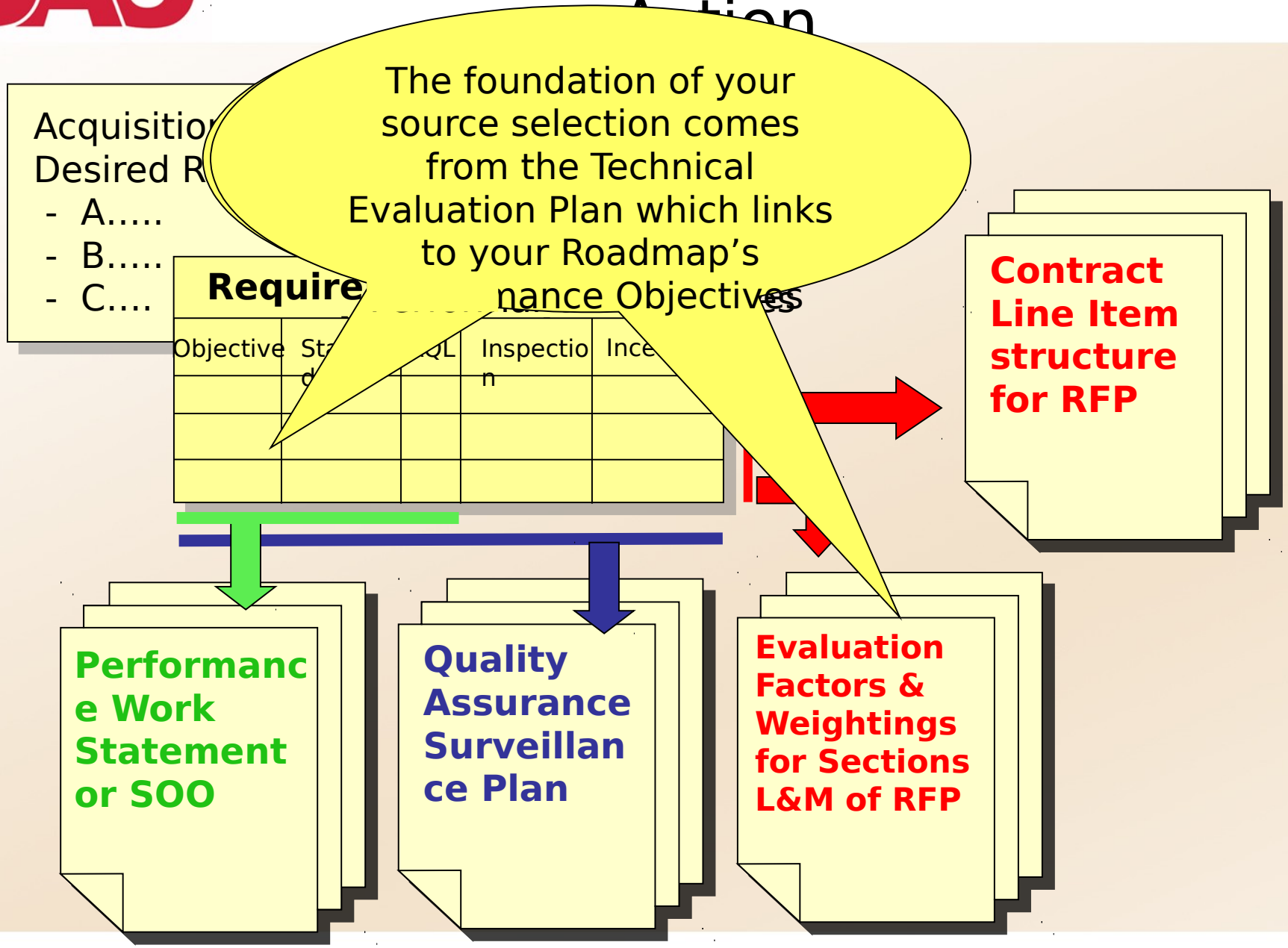
5.2 Finalize Acquisition Strategy

5.3 Allocate workload within team to support the acquisition strategy

5.4 Prepare Acquisition Planning Documents

5.5 Consider use of Draft RFP

Roadmap is the Foundation for Action



Relationship between PWS, Section L, and Section M

The PWS, Section L, and Section M are all tied together. The PWS describes the requirement, Section L describes how the contractor will format and submit their proposal (for evaluation purposes), and Section M describes how the proposal will be evaluated for source selection purposes.

PWS	Section L	Section M
Provide taxi service so that pick-up time is within 5 minutes of request time, 95% of the time.	The offeror shall submit two volumes, each in a separate binder. Volume one contains technical proposal, Volume two contains cost or price proposal. Volume one has	The offeror shall describe how taxi service will be provided in accordance with the stated requirement. The agency will evaluate the offeror's approach for the taxi service. The offer will be evaluated for best value, in terms of technical merit and cost, with additional consideration for the offeror's relevant past

Why Use or Not Use Incentives?

PRO's of Incentives	CON's of Incentives
Incentives • Promote excellent results and outcomes • Promote internal quality control and remedies • Encourage expertise, teamwork, partnering • Encourage contractor satisfaction/pride in workmanship Monetary incentives • Promote upper management participation • Promote cost savings Non-monetary incentives • Promote workforce satisfaction & stability	• Providers with market power can resist them • They are difficult to use in contracts for experts • Outside factors can influence performance • More work to administer • Conflicting incentives can drive sub optimization • Wrong incentives drive wrong behaviors

Step Five Conclusion

- At the conclusion of step 5 you should have determined:
  - Your complete acquisition strategy
  - The type of contract
  - Performance incentive approach
  - Source selection approach
  - Evaluation Factors if tradeoff method is used

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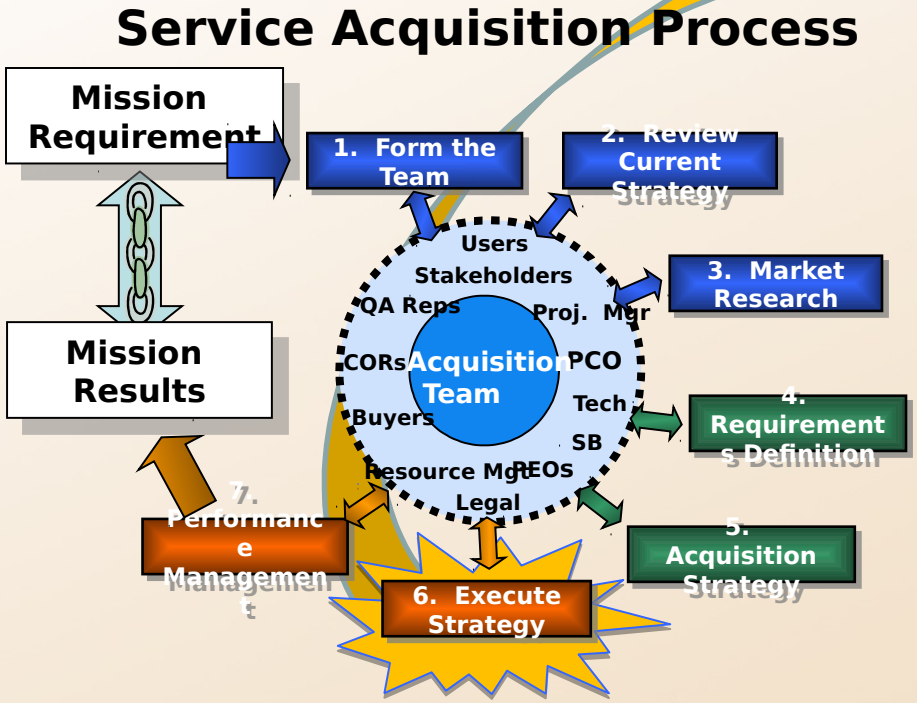
Step 6: Execute the Strategy

Step Six – Execute Strategy



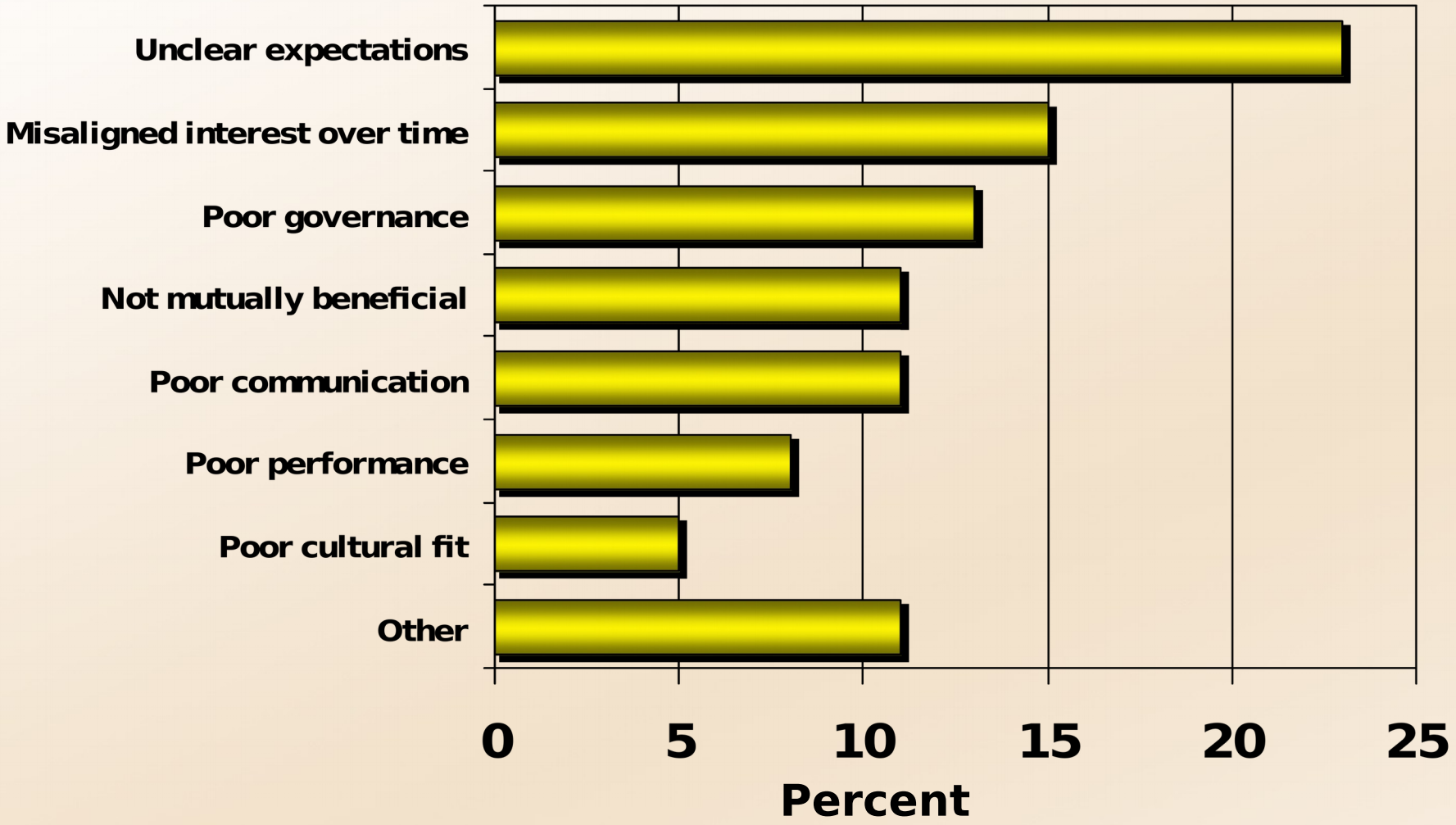
Execute Strategy Sub-elements

- 6.1 Issue request for proposal (RFP) or MIPR
- 6.2 Conduct source selection
- 6.3 Pre-Award approval documents
- 6.4 Contract award
- 6.5 Debrief unsuccessful offerors
- 6.6 Finalize Quality Assurance Surveillance Plan
- 6.7 Post Award implementation / transition

Conduct Due Diligence

- Method to ensure “meeting of minds” between government and industry on the requirement and business arrangement
- Open to all prospective offerors
- Held after release of RFP and prior to receipt of proposals
- KO leads team during exchanges between industry and government

Contract Failure Reasons



* Source: Outsourcing Center 2004 Survey. Outsourcing Center, 2004.

Make the Award

- Award determined on best value to the government
  - Based on the evaluation factors in Section M
- Conform the contract by incorporating successful contractor's proposal
- Comply with Agency approval and notification requirements
- Debrief unsuccessful offerors
- Conduct post award conference
  - Finalize QASP based on awarded contract

Step 6 Conclusion

- At the conclusion of step 6 you should be able to:
  - Update comm plan to include awardee
  - Use due diligence if appropriate
  - Issue RFP and receive Proposals
  - Conduct evaluations and discussions if needed
  - Make the Award
  - Finalize QASP based on awarded contract

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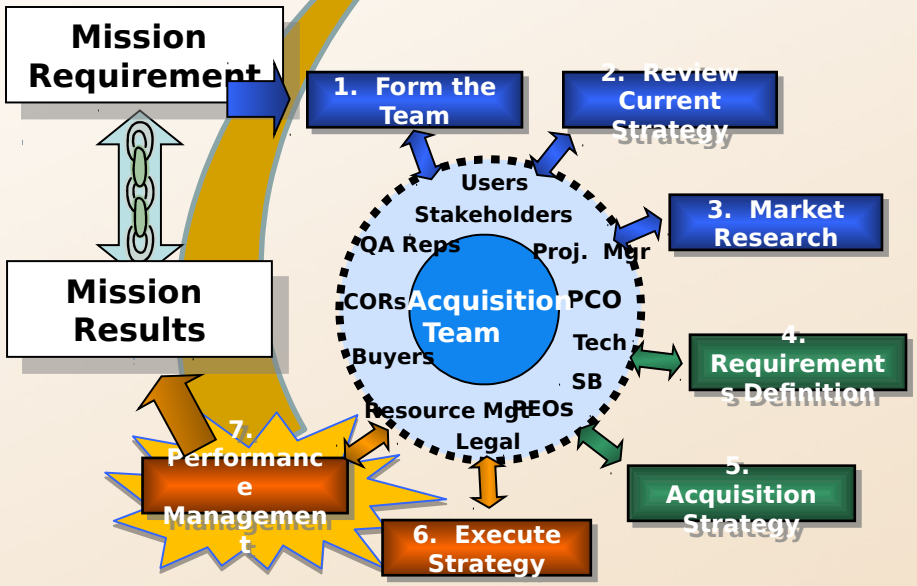
Step 7: Manage Performance

Step Seven – Performance Management

Service Acquisition Process



Performance Management Sub-elements

7.1 Transition to Performance Management

7.2 Manage and administer overall program

7.3 Manage Performance Results

7.4 Conduct quarterly supplier and key stakeholders performance reviews

of strategy

7.6 Develop plan for managing continuous improvement

Results

After Contract Award shift to Performance Management

- Performance Management
  - Contractor becomes part of our team
  - Successful contract performance is the focus for both government and contractor
    - Use remedies if necessary
  - QASP describes
    - How the team will treat data used to measure performance
    - How the team identifies ways to improve efficiency and reduce risk
    - How disputes will be resolved

Step 7 Conclusion

At the Conclusion of Step 7 you should

- Have your performance management team in place including the contractor
- Be using the QASP effectively to ensure that performance objectives are being met
- Tracking performance trends and results to determine of stakeholder needs are being met
- Communicate performance results to skateholders and customers

Questions